

regulatory atmosphere as far as how much...how many hoops they have to jump through. The administration is apprised of this and is supporting of the language, in essence, this is from the DED department and I would urge the adoption of the amendment. That would, by the way, mean that the bill will lay over. I'd be happy to have you to have it examined now to take a look at the amendment and also to use that time, not only this morning, but between now and the Final Reading of the bill to examine the issues involved in captive insurance. I move the adoption of the amendment.

PRESIDENT: Thank you. Senator Wesely, please, then Senator Warner.

SENATOR WESELY: Thank you, Mr. President, members, Senator Landis and I have worked together on this amendment and I did attend that seminar with Senator Landis and those representatives of the industry. This is a bill that can have very positive impact on the state. One of our strengths in Nebraska is our insurance industry and I think we're all aware of how vital that industry has been to our state and a growing industry it is, one of the few that has grown in our state in recent years. This captive insurance concept is one I didn't know anything about two months ago, but, at the seminar and in discussions following, it makes a great deal of sense. Federal tax changes have now opened up the possibilities of bringing offshore captive insurance companies into the states and there are examples in Nebraska of companies here that have sent their insurance business over to the Cayman Islands or wherever down in the Caribbean and they can all come back up here and want to very much, but they need this change in statute to be able to do it. In addition, you have a potential of drawing in outside companies to come to Nebraska to take care of their captive insurance needs and there are already some interested parties that are waiting to see whether this legislation will pass. This bill is supported by the Department of Economic Development. It does have economic development potential. It is uncertain exactly how much it has, but, nevertheless, it's a step worth taking and one that I think ought to be pursued. In the handout, I think if you have a chance, the first three pages summarize it pretty quickly. There is really only three big changes that are made here. These captives wouldn't be included in the Insurance Guarantee Association. They are going to have to stand on their own two feet and not, if they have any problems, have to be upheld by other insurers. I think that makes sense. It changes...it makes clear that they won't be